FINANCIAL SECRETARIAT.

Amendments to Insurance Rules (Official Branch.)

READ—

Government Order No. Fl. 3634-5—G. F. 78-28-2, dated 15th November 1928, sanctioning the introduction of whole life policies in the Official Branch of Mysore State Life Insurance Scheme, and the Insurance Committee's recommendation to entrust to Mr. James Bacon, Actuary, London, the work of framing the necessary rules and tables.

2. Letter No. 24134, dated 11th May 1929, from the Secretary, Insurance Committee, forwarding for sanction of Government the following Resolutions of the Committee on the suggestions of the Actuary together with a set of amendments to the Rules relevent to the introduction of Whole Life Assurance and loading of female lives and stating that the tables for Whole Life Policies will be prepared according to actuarial advice and submitted for sanction in due course.

'III Consideration of the letter, dated 31st January 1929, from Mr. James Bacon, Actuary, containing his suggestions regarding the Scheme of Whole Life Policies in the Official Branch.	Resolved that the rates recommended by Mr. James Bacon, the Actuary, be adopted for Whole Life Limited Assurances and on this basis a table may be prepared showing the sums assured payable for the several rates of monthly premia at various ages. It was also resolved that the alteration of rules rendered necessary by the introduction of the system of Whole Life Assurances, as proposed by the Actuary be adopted and incorporated in the Rules slightly modified as in the annexed statement.
IV Consideration of the question of loading female lives in the official branch as per para 6 of the letter from the Actuary dated 31st January 1929.	Resolved that, the recommendation of the Actuary for loading lives by enhancing premium by 5 per cent for endowment assurances and 15 per cent for Whole Life Assurance may be accepted and given effect to by making corresponding reductions (which will work up to 1/21 of the sum assured for male lives for endowment assurance and 3/23 for Whole Life Assurance respectively) in the amounts assured as under the Life Insurance rules fixed amounts of premia are recovered monthly and that fresh tables under both Endowment and Whole Life Limited Scheme be prepared on this basis."

ORDER NO. FL. 41-91—FL. 78-28-4, DATED 27TH JUNE—4TH JULY 1929.

Sanctioned.

2. The amended rules as approved are reproduced in the annexure appended hereto.

3. The tables of premia for the Whole Life Policy Scheme are awaited.

B. SRINIVASA IYENGAR,
Secretary to Government,
Financial Department.

ANNEXURE.

Rule 1.—The Official Branch of the Mysore State Life Insurance shall be conducted under the following rules.—

Rule 3.—The term "Policy" means the written document containing the contract for the payment under these rules of a certain sum of money on the occurrence of the events specified therein in consideration of the premium paid by the insured.

Rule 4.—Officers holding permanent appointments under the Government of Mysore and Officers of other Governments now employed under the Mysore Government or hereafter entering its service may insure their lives under these rules provided that in the case of the latter class of officers, such insurance shall be subject to the consent of the Government lending them.

Rule 7(1).—Ten per cent of the pay of the insured shall be recovered every month as premium and credited to Government, in consideration of which an insurance policy in the appropriate form according to the table contained in these rules selected by the insured shall be issued. The sum assured under the policy shall be payable from the Mysore Revenues on the death of the insured if the policy is for a Whole Life Assurance or on the insured completing 55 years of age or at his death if earlier if the policy is for an Endowment Assurance.

Fractions of a rupee other than multiples of eight annas, shall be excluded in calculating the monthly premium.

Rule 9.—Since the maximum limit is revised to Rs. 60 the Rule as already amended as in the Col. (1) may be allowed to stand.

Rule 10.—When an insured official ceases to be in the services of Government before completing the age of 55 years, he may elect within 12 months any one of the following courses :—

(i) To continue to pay the premiums due on his policy or policies until they cease on attainment of age 55.

(ii) To take a paid up policy for a reduced sum assured bearing the same proportion to the original sum assured as the total premium paid under the policy bears to the total premiums which would be paid if the original policy continued in force until the assured attained age 55.

(iii) To take the cash surrender value of the policy in accordance with the tables appended to these rules.

(iv) In the case of an official recommended for retirement before attaining the age of 55, and who finds it difficult to continue to pay the premia due on an Endowment policy till the date of its maturity, to treat the premia due on the policy from the date of retirement to the date of superannuation as debt due to Government carrying interest at 6¼ per cent to be recovered from the amount of the bonus payable on the date of maturity of the policy.

Rule 26.—When an insured who has ceased to be in the service of Government elects under Rule 10, to continue to pay premium, he may be allowed by the Secretary to pay such premium monthly, quarterly, half-yearly or yearly into any Treasury of the Mysore Government. Likewise an insured officer of the Mysore Government who is transferred to foreign service under Article 407 of the Mysore Service Regulations may be permitted to pay his premium quarterly, half-yearly or yearly provided he communicates his election to do so within three months from the date of such transfer. A grace of 15 days shall be allowed when the premium is payable monthly and a grace of one month when it is paid otherwise. If the insured fails to pay the premium within the days of grace, he may be allowed to pay it within six months from the date of default on production of a certificate of good health, or thereafter within 18 months on production of a detailed medical certificate, obtained on payment of the prescribed fee and paying up all the arrears together with interest at 6¼ per cent failing which the payment of the premium shall be deemed to have been discontinued and the insured who has ceased to be in service shall be permitted to obtain a paid-up policy or surrender value and an insured transferred to foreign service only a paid-up policy as prescribed in Rule 10.

Rule 29.—The above rules shall also apply *mutatis mutandis* to officers on the permanent establishment of Local Fund and Municipal Boards in Mysore.

Women are eligible to take policies but in their case the sum assured will be reduced by 1/21 of the sum assured for males under Endowment Scheme and 3/23 of the sum assured for males for Whole Life Limited payments which reduction is equivalent to an enhancement of the premium payable by 5 per cent and 15 per cent respectively.

Rule 11.—If, in consequence of the pay having been reduced and insured is unable to pay the full premium due on his policy (or policies) the assurance shall be continued for the proportion of the premium which the assured is able to pay which shall not be less than 10 per cent of his reduced pay and the remainder shall be converted into a paid-up policy as prescribed in Rule 10.

Alterations in the proposal form.

In (4) and (*d*) class of assurance, *i.e.*, Endowment Assurance or Whole Life. In proposal form G. 1 (concluded) page 21 add "class of Assurance, *i.e.*, Endowment Assurance or Whole Life." It is suggested that throughout the Rules where the word "bonus" is used in the sense of sum assured the words "sum assured" should be substituted to avoid confusion with the Reversionary Bonuses allotted as the result of valuation.